

**FACILITY COST PROFILE (FCP)
ICF/ID GENERAL INSTRUCTIONS
FISCAL YEAR ENDED 6/30/20**

Reminders for FY 2020:

- Workers Compensation costs are to be reported in cost category 010, Management and General, account number 220, and not in any “Payroll Taxes & Emp Benefits” lines.
- Put ancillary services medical supplies expenses not covered by a specific account in account 100-490 and **submit the Miscellaneous Detail Schedule, if required.**

The ICF-ID Facility Cost Profile (FCP) is made up of seven schedules and a summary:

1. Schedule A: Certification and General Information
2. Schedule B: Revenue and Provider Adjustments
3. Schedule B-1: Revenue Adjustment Details
4. Schedule C: Expenses and Provider Adjustments
5. Schedule C-1: Expense Adjustment Details
6. Schedule C-2: Key and Related Employee Compensation and Related-Party Disclosures
7. Schedule D: Patient Days and Occupancy
8. Summary: Schedules A thru D

Costs reported on the ICF-ID FCP should be allowable according to the Medicare Provider Reimbursement Manual (CMS – Pub. 15-1) and the State Plan (Attachment 4.19-D) and in all cases necessary, reasonable, and patient-care related.

All cells shaded light yellow are to be filled in by the preparer. All cells shaded light blue contain formulas and are protected. The instructions for each schedule are

as follows:

Schedule A – Certification and General Information

On this schedule the owner/administrator certifies the information reported is true and accurate. In addition, facility management and ownership information is disclosed. Most of the information requested on Schedule A is self-explanatory. The following comments are meant to assist in completing Schedule A:

Section A requires filing a copy of the trial balance used in the preparation of the FCP along with a legend showing which general ledger revenues and expenses are reported in which accounts on the FCP. This allows the Department to reconcile the costs per the financial statements to the FCP reported expenses. If management fees or home office costs are included on the FCP, a copy of the management company or home office cost report must be filed with the FCP.

Section B requires disclosure of information on the owner/licensee.

Section C requires the disclosure of related Utah Medicaid facilities either by common ownership or control. If not reported here, attach a separate list with the name and address of the parent company and a contact person's name, e-mail address, and phone number.

Section D requires disclosure of information on the management company.

Section E discloses whether the report is a first or final report due to a change in operations. If so, then disclosure of the old and new owner is necessary to determine filing responsibilities.

Section F discloses whether the facility changed names and the date of the change.

Section G lists the facility's current National Provider Identifier (NPI) issued by CMS and the previous NPI (if it changed during the reporting period or from the previous reporting period).

Section H lists the facility's capitalization dollar threshold, which must be consistent with the capitalization dollar threshold used on the FRV Data Report (ex. \$500).

Schedule B – Revenue

This schedule identifies revenue by financial category:

- Medicaid - Utah
- Medicaid - Non-Utah
- Private (Includes private-pay clients and non-government insurance)
- Respite/Other
- Miscellaneous Income

It is expected that Medicaid revenue (and corresponding days) be classified correctly retro-active to July 1 of the year for which the FCP is prepared. As noted below please make the following adjustments:

- During the time period that a patient's Medicaid eligibility is being determined, classify the days and revenue as Medicaid. In the event the patient is not approved for Medicaid, the revenue and days should be reclassified out of the Medicaid category.
- Social Security and private sources of payments for Medicaid patients should be classified as Medicaid revenues on Schedule B. This will capture the full revenue received for Medicaid clients by patient classification.
- Revenues and days for all financial classifications of patients are to be reported using the accrual basis of accounting.

If there are significant variances on the FCPs for the current period, the Division of Health Care Financing (DHCF), aka the Division of Medicaid and Health Financing (DMHF), will require that corrections be made and revised FCPs be submitted.

In Column (4) enter the gross revenue and any contractual adjustments per the facility's general ledger.

Contractual Adjustments – an adjustment used to offset the difference between Medicaid revenue billed versus collected. Report contractual adjustments that reduce revenue as negative numbers; and in the rare cases where contractual agreements increase revenue, report as positive numbers.

In Column (5) record any provider adjustments as required by CMS – Pub. 15-1, State Rule, and the State Plan. Record debits, any amounts that reduce the dollar figures in Column (4), as negative numbers. Record credits, any amounts that increase the dollar figures in Column (4), as positive numbers.

Miscellaneous Income – Revenue Category 05

Telephone - Revenues received from pay phones, phone charges to patients and other phone-related services.

Employee/Guest Meals - Revenues received from the sale of meals to guests and employees.

Laundry and Linen Services - Revenues received from laundering or dry cleaning patients' clothes, employee laundry services, and other related laundry services.

Rental of Space - Revenues received from rental of office space, rooms, or buildings owned by the provider.

Employee Sales - Revenues received from the sale of goods and services to employees not reported elsewhere.

Equipment Rentals - Revenues received from equipment rental.

Contributions/Donations - Revenues received from contributions, donations, gifts, etc. Amounts should be offset against any fund raising expenses if included in the FCP. Fund-raising expenses in excess of fund-raising revenue are non-allowable.

Interest Income - Revenues received from interest accounts or instruments. Amount received should be offset against interest expense if reported in the FCP.

Vending Machines - Revenues and commissions received from vending machine. Revenues should be offset against any expenses if included in the FCP. Expenses in excess of revenue are non-allowable.

Gift Shop/Snack Bar - Revenues received from the operation of a gift shop or snack bar. Revenues should be offset against any expenses if included in the FCP. Expenses in excess of revenues are non-allowable.

Barber/Beauty Shop - Revenues received from the operation of a barber or beauty shop. Revenues should be offset against expenses if included in the FCP. Expenses in excess of revenues are non-allowable.

Other - All other revenue received not listed in Revenue Category 05, Accounts 01 through 11. This includes Incentive Payments. If the amount is greater than \$2,000, you **must** provide a separate detailed schedule.

Private Revenue Table - In this table record the private revenue by quarter. The format is the same as the revenue sections above in Schedule B: Gross Private Revenue, Contractual Adjustments, and Net Private Revenue. The total net revenue of quarters 1 thru 4 must add up to the total Net Private Revenue in Schedule B, category "03". Also, record the private days by quarter. The total private days by quarter on Schedule B must equal the total private days on Schedule D.

Schedule B-1 – Revenue Adjustment Details

This schedule gives the detail of the provider's expense adjustments reported in Schedule B, Column 5. In Column 1 number the adjustment (ex. 1, 2, 3...). In Column 2 type the purpose of the adjustment in sufficient detail so someone who is not familiar with your facility can understand the meaning. In Column 3 type the "Revenue Category" from Schedule B, Column 1 (ex. "01"). In Column 4 type the "Account Number" from Schedule B, Column 2 (ex. "02"). In Column 5, type the account "Title" from Schedule B, Column 3. And finally, in Column 5 record the amount in Schedule B, Column 5. Record a debit, an adjustment that reduces revenue, as a negative number. Record a credit, an adjustment that increases revenue, as a positive number. The total of this schedule should agree with the total of Schedule B, Column 5. If there is a variance between the total adjustments on Schedule B and Schedule B-1, please make necessary corrections.

Schedule C – Expenses and Provider Adjustments

The purpose of this schedule is to report the operating costs of the facility adjusted for allowable costs as determined by CMS-Pub 15-1, State Rule, and State Plan.

Costs are classified into ten cost categories. To determine if a reported cost is allowable, the following criteria are used: Was it necessary, reasonable, and patient-care related? Following is a discussion of important issues for each cost category:

Column (4) report expenses per the General Ledger. The total of column 4 should agree with the total expenses per the facility's General Ledger. The General Ledger should be clearly coded to indicate where each expense account was reported on Schedule C of the FCP.

Column (5) report adjustments as required by CMS - Pub 15-1 and the State Plan. Record a debit, an adjustment that increases an expense, as a positive number. Record a credit, an adjustment that decreases an expense, as a negative number.

Column (6) self-calculating

Column (7) report hours worked annually in the various cost categories: Plant Operation and Maintenance, Dietary, Laundry and Linen, etc. In cost category 070, Nursing, report hours worked annually* by Medical Director, Registered Nurse (RN), Licensed Practical Nurse (LPN), Certified Nurse Aide (CNA), and Others.

**Applies to Account Numbers: 012 Nurse Admin Salaries, 040 Nursing Direct Care Salaries & Wages, and 050 Purchased Nursing Services*

Column (8) report hours paid annually in the various cost categories.

Cost Category 010 - General Administrative

Account 010 Administrator Salary: If the administrator is also the owner or a related party, the total compensation including benefits must go through the compensation reasonableness test. If the owner or related-party's compensation exceeds the highest non-related administrator in the county and surrounding counties, then an adjustment is necessary on Schedule C, Col. 5, which will be made by the Division of Medicaid and Health Financing.

Account 011 Assistant Administrator Salary: Salary of Assistant Administrator. *Related-party disclosure required, related-party compensation test may apply.*

Account 012 Office Salaries & Wages: Salaries of administrative personnel including secretary, bookkeeper and telephone operator. Salaries and wages must be charged to the center that is served by the employee. In some cases, this may require the allocation of an expense item to two or more centers.

Account 040 Payroll Taxes and Employee Benefits: Each cost center has its own payroll tax and benefit account. Therefore each cost center should bear its own burden for these costs.

Account 060 Management Services - Expenses for services of management from another entity. If owners receive compensation through the management service, the amount of compensation allocated to the facility must be disclosed in Schedule A, Section G. *Related-party disclosure required.*

Account 070 Home Office Charges - Apportioned home office expenses for certain centralized services provided by the home office and apportioned expenses for the home office, such as rent or depreciation, interest expense, equipment, personnel, etc. Any profit or markup beyond actual cost must be adjusted out.

Account 080 Advertising: Advertising costs to increase utilization are non-allowable. (Per CMS-Pub 15-1) Therefore, if the advertising account contains costs that are not for new employees or a one-quarter yellow page advertisement, they need to be adjusted out for FCP purposes.

Account 090 Telephone: Charges for all telephone and paging systems.

Account 100 Dues, Subscriptions & Licenses: Membership in professional societies and cost of trade journals. Fees for institutional licenses.

Account 110 Office Supplies, Printing, and Postage: Costs of bookkeeping materials, ink cartridges, pens, printed forms, stationary, etc. Cost of operating a copy machine. Cost of postage.

Account 120 Legal and Accounting: Fees for public accountants, auditors and attorneys. Attorneys' fees for collection of patient accounts and legal services associated with the operation of the facility. (Legal fees and expenses incurred in acquiring real estate should be added to the cost of the property purchased rather than

be charged to this account.) Retainer fees are not allowable costs unless it can be shown that actual services were performed.

Account 130 Utilization Review - Fees for physician's services, availability, visits and utilization review.

Account 140 Travel, Seminars and Administrative Training: Administrative travel and training costs charged to this account must be for the advancement of patient care or efficient operation of the facility. All reimbursements for meals, lodging, gas, oil, and mileage must be properly documented with invoices, receipts, and mileage logs to support the expense and meet IRS guidelines. Expenses not properly documented will not be allowed.

Account 150 Data Processing: The expenses of operating a data processing department and/or fees paid an outside firm for computer services. Expenses may be split between in-house and contractor services.

Account 160 Amortization-Organization: Amortization of organization and start-up costs.

Account 170 Patient Day Assessment – Total of monthly assessment payments made to the Department of Health based on total patient days net of Medicare days.

Account 180 Interest - Operating Loans: Interest expense on operating capital loans.

Account 190 Income Taxes: Costs of local, state, and federal income taxes.

Account 200 Bad Debts: Expense incurred by the periodic writing-off of uncollectible accounts receivable.

Account 210 Contributions: This line item is for any gift to a charitable organization for which no goods or services are received.

Account 220 Workers Compensation: Cost of insurance premiums to cover unemployment benefits.

Account 230 Professional/General Liability Insurance: Cost of professional and general liability insurance.

Account 240 Civil Money Penalties (Medicaid) - Penalties assessed and paid to either Medicare or Medicaid. These are unallowable expenses for Medicaid Cost reporting. Adjust to zero by use of column 5.

Account 250 Other Taxes (attach detail schedule) - Other taxes paid, other than those identified above.

Account 270 Other Penalties/fines - Any other penalties or fines paid other than civil money penalties paid to either Medicare or Medicaid. These are unallowable expenses for Medicaid Cost reporting. Adjust to zero by use of column 5.

Account 280 Transportation Salaries & Wages - Salaries paid to employees who work to furnish transportation for the facility.

Account 290 Transportation Payroll Taxes & Employee Benefits - Payroll taxes and benefits paid on the salaries of the employees reported in account 280.

Account 300 Gifts - Amounts paid in cash or for items given to individuals or businesses in which no service was involved. Costs incurred by providers for gifts or donations to charitable, civic, educational, medical or political entities are not allowable.

Account 310 Bank Service Charges - Expenses paid to your bank for their services.

Account 320 Public Relations - Expenses incurred that are appropriate and helpful in developing, maintaining, and furnishing covered services to Medicaid beneficiaries. Such costs must be common and accepted occurrences in the field of Medicaid care.

Account 330 Purchased Services - Services employed from outside sources for general administrative duties. *Related-party disclosure required.*

Account 340 Recruiting Expense - Expenses that are reasonable and appropriate in seeking and obtaining employees for your nursing home facility.

Account 350 TV/Cable/Satellite Expense - TVs in patient rooms and costs associated therewith usually are not allowable. See §2106 of Pub. 15-1 for details.

Account 360 Beauty & Barber Expense - Any expenses reported here should be used to offset any revenue reported in schedule C.

Account 490 Miscellaneous - All administrative expenses not classified in a specific account. If the total amount reported exceeds \$2,000, a separate detailed schedule must be attached.

Cost Category 020 - Property and Related Expenses, Including Capital Equipment Such as Durable Medical Equipment (DME)

Account 230 Building Rent - Cost of building rent should be reported in this account. If the rent agreement qualifies as a capital lease or a related-party transaction then disclosure on Schedule C-2 is necessary along with summarizing adjustments in Schedule C-2 and recording those adjustments on Schedule C-1.

Also, for rent paid to a related party lessor, note the following from CMS Pub. 15-1:

1011.5 Rental Expenses Paid to a Related Organization

A provider may lease a facility from a related organization within the meaning of the principles of reimbursement. In such case, the rent paid to the lessor by the provider is not allowable as cost. The provider, however, would include in its costs the costs of ownership of the facility. Generally, these would be costs such as depreciation (subject to the principles in Chapter 1), interest on the mortgage, real estate taxes, and other expenses attributable to the leased facility. The effect is to treat the facility as though it were owned by the provider. (See section 1212 of Chapter 12 regarding the treatment of the owner's equity in the leased assets.)

Related-party disclosure required.

Account 240 Building Depreciation - This is the cost of the building prorated over its expected life. Straight-line depreciation is the acceptable method of depreciation for

FCP purposes. Estimated useful lives for assets should correspond to those found in the American Hospital Association publication "Estimated Useful Lives of Depreciable Hospital Assets," current edition. Report depreciation on items of building improvements as distinguished from repairs and maintenance. Includes depreciation on items of fixed equipment that are affixed to the building (not subject to transfer or removal) and have a fairly long life. This would include boilers, call systems, fire alarm systems, heating, and air conditioning systems.

Account 250 Building Interest Expense - Interest expense on mortgages and current period write-off of financing expenses. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

Account 260 "Real Property" Property Tax - Any property tax assessed for real property. Real Property is defined as Land and improvements, including buildings and Personal Property that is permanently attached to the land or customarily transferred with the land.

Account 270 "Real Property" Property Insurance - Cost of maintaining mortgage insurance required to get a building loan or lease and cost of all insurance related to real property. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

Account 272 Wheelchair Depreciation: Cost of wheelchairs prorated over their expected lives.

Account 274 Adaptive Equipment Depreciation: Cost of adaptive equipment prorated over its expected life.

Account 280 Vehicle Depreciation – The costs reported in this account are for facility vehicles prorated over their expected life. If the cost includes an administrator vehicle or one that is used for both personal and business purposes then proper documentation and mileage logs must be maintained to support the business and personal

use and the amount of depreciation taken must follow IRS guidelines. Personal use must be included as part of the compensation to those who receive the benefit. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

Account 290 Vehicle Interest Expense - Interest expense on vehicles and current period write-off of financing expenses. If vehicle is used for personal and business use, only the business allocation can be expensed. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

Account 300 Vehicle Property Tax - Property tax assessed for vehicle(s). If vehicle is used for personal and business use, only the business allocation can be expensed.

Account 310 Vehicle Insurance - Cost of maintaining vehicle insurance. If vehicle is used for personal and business use, only the business allocation can be expensed.

Account 320 Equipment Leases (Operating Leases Only) - Payments made on an equipment lease. *Related-party disclosure required.*

Account 330 Equipment Depreciation - The cost of equipment should be prorated over its expected life. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

Account 340 Equipment Interest Expense - Interest expense on equipment, current period write-off of financing expenses, and personal property related interest. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

Account 350 Personal Property Tax - Any property tax assessed for Personal Property such as furniture or equipment.

Account 360 Gain/Loss on Asset Disposition – Report the gain or loss on the sale or other disposition of an asset. This must agree with the amounts reported on the facility's financial statements.

Account 490 Miscellaneous - Expenses not provided for above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 030 - Plant Operation and Maintenance:

Costs included in this category are for the operation, maintenance, and repair of facility property. Costs not to be included are those for fixed assets, improvements, betterments, and major repairs that will benefit more than the current year. These items should be properly accounted for in the fixed assets and depreciated over their estimated useful lives.

Account 012 Salaries and Wages: This line item is for the gross salaries of carpenters, electricians, engineers, firemen, heating plant employees, machinists, painters, plumbers, watchmen and other employees engaged in the operation or maintenance of the building equipment and grounds.

Account 040 Payroll Taxes & Employee Benefits: This includes that portion of payroll taxes and benefits paid by the employer charged to Plant and Maintenance personnel.

Account 110 Supplies: Supplies and parts required to repair and maintain the equipment used by facility maintenance personnel.

Account 230 Equipment Rental-Short Term: Cost of renting equipment for use by facility maintenance personnel on a short-term basis.

Account 240 Furniture and Equipment Less Than the Facility's Capitalization Dollar Threshold - The costs reported in this account should be for items that are under the facility's capitalization dollar threshold and/or have a life expectancy of one year or less.

Account 310 Purchased Services: Services employed from outside sources to repair or maintain facility and/or equipment. *Related-party disclosure required.*

Account 320 Repair & Maintenance-Bldg. & Grounds: Cost of materials used in repair and maintenance of building and grounds.

Account 330 Repair & Maintenance- Equipment: Cost of materials used in the repair and maintenance of equipment.

Account 340 Repair and Maintenance Transportation Equipment: The costs included in this account are for the operation, maintenance, and repair of facility owned vehicles. This also includes registration fees, gasoline, oil, tires, lubrication and all the other repairs and maintenance. If costs are included for an administrator vehicle or one that is allowed personal and business use then proper documentation and mileage logs must be maintained in accordance with IRS guidelines.

Account 350 Utilities: Costs for natural gas, electricity, fuel and water.

Account 490 Miscellaneous - Expenses not provided for above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 040 – Dietary

Account 012 Salaries and Wages: Gross salaries of dietitians, chefs, cooks, dishwashers and all other employees assigned to the kitchen, dining room or cafeteria.

Account 040 Payroll Taxes & Employee Benefits: Includes that portion of payroll taxes and benefits paid by the employer charged to Dietary personnel.

Account 310 Purchased Services/Consultants: Dietary services supplied from outside sources i.e., caterers, dietary consultants, etc. *Related-party disclosure required.*

Account 380 Food: Cost of food purchased, prepared in the regular kitchen (including special diets) and consumed by patients. If desired, separate accounts may be maintained for the major types of food such as meats, fish, etc. Where the food consumed by patients and staff is produced on a farm operated by the facility, an estimate should be made, if feasible, of the fair market value of the food stuffs. The cost of farm supplies, labor and the maintenance of farm equipment should be computed and the lesser of the cost or fair market value should be charged as food cost. *Related-party disclosure required.*

Account 390 Food Preparation and Serving Supplies: Cost of supplies used in processing and preparing raw food for consumption by patients. Also included are dishes, glassware, silverware, paper products used in the kitchen, dining room and on patients' trays, kitchen utensils, soaps and detergents, menus, aprons and uniforms for dietary personnel and all the other miscellaneous dietary supplies and expenses.

Related-party disclosure required.

Account 490 Miscellaneous: Expenses not assignable to one of the above dietary areas. If the total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 050 - Laundry and Linen

Account 012 Salaries and Wages: Salaries of laundry employees and those handling lines such as a seamstress, laundrymen and ironers.

Account 040 Payroll Taxes and Benefits: Includes that portion of payroll taxes and benefits paid by the employer charged to Laundry and Linen personnel.

Account 110 Supplies: Cost of laundry soap bleaches, detergents, starch, pressing cloths and all other supplies necessary to operate laundry and linen services.

Account 310 Purchased Services/Consultants: Fees paid to outside consultants. *Related-party disclosure required.*

Account 410 Linen and Bedding: Cost of purchasing or renting linen, bedding, sheets, mattresses, pillows, pillowcases, blankets, towels and wash cloths.

Account 490 Miscellaneous - Expenses not assignable to one of the above laundry accounts. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 060 – Housekeeping

Account 012 Salaries and Wages: Gross salaries of housekeepers, maids, porters, floor and wall washers and other housekeeping employees. *Related-party disclosure required.*

Account 040 Payroll Taxes and Benefits: Includes that portion of payroll taxes and benefits paid by the employer charged to Housekeeping personnel.

Account 110 Supplies: Cost of brooms, brushes, cleaning compounds, disinfectants, drinking cups, germicides, insecticides, laboratory supplies, mops, paper towels, polish, soap and other housekeeping supplies.

Account 310 Purchased Services/Consultants: The costs of contract labor or outside services for housekeeping. *Related-party disclosure required.*

Account 490 Miscellaneous - Expenses not provided for above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 070 – Nursing

Costs included in this category are for nursing services, medical supplies and the delivery of professional medical services.

Account 012 Nurse Administrative Salaries: The costs included in this account are for gross wages and salaries paid to Director of Nursing, medical records clerks, in-service trainers, staff coordinators, staff developers, or any other personnel associated with nursing that do not perform on-hands care and duties are administrative in nature.

Account 013 Nurse Administrative Payroll Taxes and Benefits: The costs included in this account are those associated with the taxes and benefits paid to the personnel classified in Account 012.

Account 040 Nursing Direct Care Salaries and Wages: The costs included in this account are for gross salary and wages paid to the registered nurses, licensed nurses, nurse aides and any other personnel involved with direct on-hands care.

Account 041 Nursing Direct Care Payroll Tax & Benefits: Includes that portion of payroll taxes and benefits paid by the employer charged to Nursing direct care personnel.

Account 050 Purchased Nursing Services: The costs included in this account are for the payment of services provided by non-employees. These could be for registered nurses, licensed practical nurses, certified nursing aides and any other personnel involved with nursing. **Do not report any licensed physical or occupational therapy costs or certified nursing aides if billed under the supervision of a licensed therapist.**

Account 110 Medical Supplies: The costs included in this account are for medical supplies used in direct patient care. It may include items that are considered routine for Medicaid purposes but ancillary by the facility. Supplies such as toothpaste, shampoo, facial tissues, disposable briefs, gowns, water pitchers, basins, bedpans, nursing station stock items, etc., are included.

Account 111 Non-Medical Supplies: The costs included in this account are for non-medical supplies associated with nursing such as charts, forms, and medical record supplies.

Account 230 Oxygen Equipment & Rental: Cost of oxygen related equipment and rental such as demurrage.

Account 310 Purchased Services/Consultants: Fees paid to personnel who perform specialized tasks in the various departments and are considered non-employees.

Account 330 Dental Care: Fees paid for patients' annual dental exams.

Account 390 OSHA/CDC Required Expense: These are cost incurred as a result of compliance with Occupational Safety and Health Administration and Center for Disease Control regulations.

Account 440 Nurse Aide Training Costs: The costs included in this account are for nurse aide training for evaluation, instruction, testing and materials.

Account 490 Miscellaneous - Cost of miscellaneous items not included in any other account. If the total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 080 - Recreational Activities and Social Services

Account 012 Salaries and Wages: Gross salaries or recreation directors and all other employees assigned to recreation and social services.

Account 040 Payroll Taxes and Employee Benefits: Includes that portion of payroll taxes and benefits paid by the employer charged to Recreational personnel.

Account 110 Supplies: Cost of supplies for recreational activities.

Account 310 Purchased Services/Consultants: Cost of outside consultants and contract type activities.

Account 490 Miscellaneous - Expenses not provided for specifically above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 090 - Active Treatment

Includes costs for an aggressive, consistent implementation of a program of specialized and generic training, treatment, health services and related services described in **42 CFR part 430 to 699 , section 483.440.)**

Account 012 Salaries and Wages: Gross salaries for Qualified Mental Retardation professionals, programs coordinators, therapist aides, physical therapist trainers, occupational trainers, recreational trainers, drivers and all others assigned to active treatment.

Account 040 Payroll Taxes and Employee Benefits: Includes that portion of payroll taxes and benefits paid by the employer charged to Active Treatment Personnel.

Account 310 Purchased Services/Consultants: Contract services or fees paid to personnel who perform specialized tasks and are considered non-employees. *Related-party disclosure required.*

Account 313 Speech/Audio Therapist: Fees paid to speech and audio therapists considered non-employees.

Account 314 Occupational Therapist: Fees paid to occupational therapists considered non-employees.

Account 315 Recreational Therapists: Fees paid to recreational therapists considered non-employees.

Account 316 Physical Therapists: Fees paid to physical therapists considered non-employees.

Account 317 Social Services Workers: Fees paid to social services workers considered non-employees.

Account 318 Day Treatment Outside Service: Fees paid for day treatment services outside the nursing home. *Related-party disclosure required.*

Account 319 Day Treatment In House: Costs incurred to provide day treatment services in the facility. *Related-party disclosure required.*

Account 391 Adaptive Equipment - Repairs & Maintenance: Cost of maintaining and repairing adaptive equipment not otherwise capitalized.

Account 392 Programming: All costs incurred considered program costs including bus passes.

Account 490 Miscellaneous - Expenses not provided for specifically above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Cost Category 100 - Ancillaries Not In Medicaid Daily Rate

Costs included in these accounts are for ancillary services either not included in the Medicaid daily rate or not covered by Medicaid.

Account 010 Physician & Psychiatrist - Staff Salaries - Fees paid to physicians and psychiatrists for direct care.

Account 020 Physician & Psychiatrist - Tax & Benefits - Includes that portion of payroll taxes and benefits paid by the employer charged to physicians and psychiatrists for direct care.

Account 030 Physician & Psychiatrist - Supplies/Other – Physician and psychiatrist supplies used in direct patient care. Includes items that are furnished routinely and relatively uniformly to all patients and/or stocked in gross supply and distributed or used individually in small quantities. Includes items that are considered routine for Medicaid cost reporting purposes but are ancillary by the facility.

Account 040 Purchased Services Physician & Psychiatrist (non-employee) - Contract labor or outside services for physicians and psychiatrists. *Related-party disclosure required.*

Account 140 Laboratory & Radiology Service - Cost of contracted services for facility patients.

Account 350 Other Direct Care - Cost of other professional services for direct patient care including psychologists, podiatrists, and optometrists. *Related-party disclosure required.*

Account 360 Dental Services - Cost of dental care

Account 370 Emergency Ambulance – Cost of emergency ambulance for life threatening or emergency situations.

Account 380 Eye Glasses, Dentures, and Hearing Aids – Cost of eye glasses, dentures, and hearing aids

Account 390 Special Equipment Approved by Medicaid – Cost of equipment for individual patients that is currently limited to air flotation beds and water flotation beds that are self-contained, thermal regulated, and alarm regulated, and mattresses and overlays specific for decubitus care, and customized (Medicaid definition) and motorized wheelchairs.

Account 400 Prosthetic Devices – Cost of prosthetic devices that Medicaid defines as (1) artificial legs, arms, and eyes; (2) special braces for the leg, arm, back, and neck; and (3) internal body organs. Specifically excluded are urinary collection and other retention systems. This definition requires catheters and other related devices to be covered by the per diem payment rate.

Account 450 Prescription Drugs – Cost of prescription drugs (legend drugs) plus antacids, insulin and total nutrition, parental or enteral diet given through gastrostomy,

jejunostomy, IV or stomach tube. In addition, antilipemic agents and hepatic agents or high nitrogen agents are billed by pharmacies directly to Medicaid.

Account 460 Oxygen Gas - Cost of oxygen

Account 490 Miscellaneous - Expenses not provided for specifically above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

Schedule C-1 – Expense Adjustment Details

This schedule gives the detail of the provider's expense adjustments reported throughout Schedule C. In Column 1 number the adjustment (ex. 1, 2, 3...). In Column 2 type the purpose of the adjustment in sufficient detail so someone who is not familiar with your facility can understand the meaning. In Column 3 type the "Cost Category" from Schedule C, Column 1 (ex. "010"). In Column 4 type the "Account Number" from Schedule C, Column 2 (ex. "040"). In Column 5, type the account "Title" from Schedule C, Column 3. And finally, in Column 6 record the amount in Schedule C, Column 5. Record a debit, an adjustment that increases an expense, as a positive number. Record a credit, an adjustment that decreases an expense, as a negative number. The total of this schedule should agree with the total of Schedule C, Column 5. If there is a variance between the total adjustments on Schedule C and Schedule C-1, please make any necessary corrections.

Schedule C-2 – Key and Related-Employees' Compensation and Related-Party Disclosures*

Section A requires the disclosure of compensation to key personnel.** This includes the administrator, office manager, director of nursing, owners, officers, and any other key personnel receiving compensation. Included are lines to "check" if the person is related to owners of the nursing home, and their "hours worked annually" and "hours paid annually". If a key employee is related to the owner(s) and his/her compensation exceeds the

compensation reasonableness test on page 5, an adjustment is necessary on Schedule C, Column 5, which will be made by the Division.

Section B requires the disclosure of compensation to owner's family members not already reported in section A.*** This information is used to determine reasonableness of compensation to family members. If compensation to owner-administrators or family members exceeds Medicaid guidelines for reasonableness, or exceeds the amount paid to others in similar positions, then adjustments to the reported expenses are necessary on Schedule C, Column 5. Section B also includes columns for related employees' "hours worked annually" and "hours paid annually".

Section C requires the disclosure of any related-party transactions. All items listed require full disclosure of the cost and any necessary adjustments to the amount reported on Schedules C and C-1. Any profit or mark-up on a related-party goods or services must be adjusted out for Medicaid FCP purposes. Supporting documentation is required for all costs reported on this section including an attached schedule for each item.

* FCP Schedule A, page 1: "...any misrepresentation, falsification, concealment, or omission of material facts constitutes fraud and I may be prosecuted under applicable federal or state law.

** CMS PUB. 15-1 Chapter 10 COSTS TO RELATED ORGANIZATIONS §1000 "...such cost must not exceed the price of comparable services, facilities, or supplies that could be purchased elsewhere. The purpose of this principle is two-fold: (1) to avoid the payment of a profit factor to the provider through the related organization (whether related by common ownership or control), and (2) to avoid payment of artificially inflated costs which may be generated from less than arm's-length bargaining. "

*** CMS PUB. 15-1 CHAPTER 9 COMPENSATION OF OWNERS §902.5: "...the following persons are considered "immediate relatives": (1) husband and wife, (2) natural parent, child and sibling, (3) adopted child and adoptive parent, (4) step-parent, step-child, step-sister, and step-brother, (5) father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law, and daughter-in-law, (7) grandparent and grandchild.

Schedule D – Patient Days and Occupancy

The purpose of this schedule is to report the total patient days provided by the facility as summarized through patient records and census reports. It is imperative that facilities

reconcile their patient records monthly and make adjustments for clients who become retro-eligible for another category.

Several new lines have been added to aid the accurate reporting of patient days. On Row 3 the Net Revenue from Schedule B for each financial category is referenced. Row 4 divides the net revenue in Row 3 by the number of days in Row 2 for a daily rate per financial category. If the daily average is outside of the industry average for that category, then the cell in Row 4 turns red. In addition, if there are days but no corresponding revenue or vice versa, an “Error” message appears in Row 4.

The section below records the Patient Day Assessment days for comparison to the FCP days. If FCP days are different from Patient Day Assessment days, then the cells in Row 7 turn red.

Column 6 shows the total patient days, which are also the days subject to the Patient Day Assessment.

In Row 8 a “Notes” section has been added. Use this area to explain legitimate differences between FCP days and Patient Day Assessment days. For example, although the total patient days between the FCP and the Patient Day Assessment should be close, if not equal, it is reasonable to see differences between financial categories due to retro-eligible patients.

“OCCUPANCY” Section

Report total licensed beds on Line 1. Report Medicaid Certified Beds on Line 2. The other lines in this section are calculated by formula.

Summary of Schedules

Key information and totals from the previous schedules are rolled up to the Summary tab. This information is used for auditing, industry analysis, and other purposes. All cells in this worksheet are protected.